

ABSTRACT OF THE DISCLOSURE

Air carrier service evolution model and a method of simulation the economics of airlines for aiding the airlines to make optimized marketing decisions in view of transient market forces effecting the airline. The air carrier service evolution model and the method of simulation the economics of airlines is based on agent-based model in which changes responsive to market forces, as well as interaction between the market forces, and anticipated changes in market forces. The market decisions are made in view of the information concerning bankrupt airlines, newly located airports, financial situation of each airline, newly established airlines, flights available for each destination, passenger demand, ratio of leisure and business passengers, etc. For each airline, parameters are simulated and modified for the maximum profit such as fares, aircraft size, scheduled departure, as well as a number of other operational parameters.

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